



NASA Financial Management Manual

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FMM 9230 ACCOUNTING FOR ALLOTMENT AUTHORIZATION AND RESOURCES AUTHORITY

9231-1 PURPOSE

This chapter sets forth procedural requirements relative to accounting for allotment and resources authorities.

9231-2 AUTHORITY

- a. 31 USC 1104, 1341(a), 1342, 1349-1351, 1511-1518, 1531-1536, and 1551-1557.
- b. Chief Financial Officers Act of 1990, P.L. 101-576, as amended.
- c. NASA Policy Directive (NPD) 9050.3_, Administrative Control of Appropriations and Funds.
- d. NASA Policy Directive 7400.3_, Allocation and Control of Agency Resources
- e. Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget," and related OMB guidelines.

9231-3 NATURE OF ALLOTMENT ACCOUNTING

Allotment accounting is no longer performed at the Center level. With the implementation of the Integrated Financial Management (IFM) System at all Centers in June 2003, single funds control is used. At the Center level, resources authority (rather than the previous dual system (allotment authority and resources authority) is used. Allotment authority is maintained at the Agency level.

The IFM System provides:

- a. A control for commitments, obligations, and expenditures incurred against appropriations and funds within authorized fund availability, and to ensure compliance with the provisions of 31 USC 1341-1351 and as amended, and as implemented by NPD 9050.3_.
- b. A means for complying with the accounting and reporting requirements of the central fiscal agencies of the Federal Government {General Accounting Office (GAO), Treasury Department, and Office of Management and Budget (OMB)}.
- c. A continuous record of the use of funds provided, showing commitments, obligations, disbursements and related transactions.
- d. Uniformity in recording transactions and a basis for reporting the financial results of such activity for use by NASA management at all levels.



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- e. A system for recording commitments, obligations, expenditures and related transactions to assure compliance with the provisions and limitations set forth in Congressional authorization and appropriation legislation.
- f. A source of accurate and timely data for program management at all levels within NASA, for budget formulation, justification, and review, and for evaluation of program and management performance.
- g. An early indication of the need and justification for reprogramming or transferring of funds.

9231-4 RESPONSIBILITIES

- a. **HEADQUARTERS.** The NASA Deputy Chief Financial Officer for Financial Management (or their designee), NASA Headquarters is responsible for the following:
 - (a) prepares and approves all resources authority warrants and subsequent revisions (NASA Form 506 for appropriated and 506R for reimbursable), (c) verifies dollar amount on resources authority warrants (NASA Form 506A and 506A-R for direct and reimbursable programs, respectively), and (d) reviews reallocation requests from program offices (506A or 506A-R) and issues an amended 506 or 506R.
- b. **OFFICIALS TO WHOM RESOURCES AUTHORITY ARE ADDRESSED**
 - (1) The Director of each NASA Center is responsible for the administrative control of the funds availability, to insure the adequacy of practices to preclude violations of 31 USC 1341, 1514 and 1517, and for carrying out their responsibilities as set forth in paragraph 5e of NPD 9050.3D_. The IFM system is designed to provide this control. The Center Director also issues subauthorizations (NASA Form 506A) to other Centers requesting and authorizing them to perform a portion of work within the scope and amounts on the resources authority received from Headquarters.
 - (2) Center Deputy Chief Financial Officers (DCFO's) for Finance are responsible for the local administration of the provisions of this chapter, subject to the functional direction and supervision of the Director, Financial Operations Division, NASA Headquarters.



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9231-5 ALLOTMENT ACCOUNTING RECORDS

- a. **GENERAL.** The IFMP Core Financial Module (Budget Execution) meets the requirements to establish and maintain allotment accounting records in sufficient detail to support the applicable general ledger accounts set forth in FMM 9220 and to supply accounting data for inclusion in financial reports and statements described in FMM 9300. It also provides the necessary techniques to insure compliance with the provisions of 31 USC 1341-1351 and 1501-1557, as implemented by NPD 9050.3_.
- b. **ACCOUNTING RECORDS.** The IFM system provides a detailed, auditable, and verifiable record (including reference to supporting documents) of unobligated commitments will be maintained as part of the continuous accounting for subdivision of funds and of the available resources authorizations. This record will show the specific amount committed for each contract or order authorized to be placed, the signature of the fund certifying official and the date the document was certified (see FMM 9031-8a).

9231-6 ACCOUNTING FOR RESOURCES AUTHORITY

Accounting for resources authority will be performed in IFM. This includes commitments under the Science, Space and Technology Education (SS&TE) Trust Fund, National Space Grant Program Trust Fund, , Science Aeronautics and Technology (SAT), Human Space Flight (HSF), Mission Support (MS) and Office of Inspector General (OIG) appropriations. Starting in fiscal year 2004, two new appropriations Science, Aeronautics, and Exploration and Space Flight Capabilities will replace the SAT and HSF appropriations. Commitment accounting for Fund Sources 41 and 42 under HSF and SAT and Fund Sources 21 and 22 under OIG is optional (see FMM 9031-5b.). Accounting procedures for resources authority include:

- a. Funds availability will be recorded promptly and reported in the IFMP Core Financial Module (Budget Execution).
- b. The funds availability shall be determined before a commitment or an obligation is incurred or a change is made to increase the original amount. Commitment or obligation documents shall be recorded promptly against allotments and other subdivisions of funds (see FMM 9031-5 and FMM 9041-4). Commitments, obligations and disbursements shall at all times be kept within the approved resources authority. The IFM system provides this capability; however, it is the responsibility of the Center Deputy Chief Financial Officers (DCFO's) for Finance to monitor the system for their center commitments and obligations and immediately report any anomaly to the Center Chief Financial Officer and the Agency Chief Financial Officer for Financial Management.



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- c. Funds availability received for the annual appropriations (one-year SAT, HSF, and OIG expire at the end of the fiscal year for which the funds are appropriated. Funds availability received for the no-year appropriations of SAT, HSF, MS, SS&TE Trust Fund, and CoF remain available for commitment, obligation, and disbursement within allotted funds until balances of such authority are expended. Funds availability for multiple-year SAT, HSF and MS (programmatic) normally expire at the end of the second year, and for multiple-year HSF and SAT (construction of facilities) at the end of the third year.
- d. Commitments, obligations and disbursements shall not exceed the amounts for the purposes specified on each approved resources authority. Also, the amounts shall not be exceeded for the purposes specified on each approved resources authority.
- e. In the case of a no-year appropriation, an adjustment in funding due to a contract amendment or modification, even if made in a subsequent fiscal year, shall be charged or credited against:) the funds availability (resources authority) which authorized the obligation when the contract was awarded, provided such amendment or modification was specifically authorized in the original contract and does not increase the quantity of items ordered or cover additional items of services, supplies, or costs not provided in the original contractual agreement or otherwise change the scope of the contract and thereby result in a new procurement. An adjustment may be based on a price redetermination, change in specification, or engineering or other change necessitating price adjustment (see FMM 9041-12 a.(2)(f). Additional resources authority will be requested from Headquarters when necessary to cover adjustments to prior year obligations.
- f. Resources authority received for reimbursable activities:
 - (1) Under the SAT, HSF, and MS appropriations, funds availability is available for commitment, obligation and disbursement against accepted reimbursable orders until the balances of such authority expire or are rescinded by NASA Headquarters or the ordering agency.
 - (2) Under the MS appropriation, funds availability is available until the balance of the order or agreement expires or until the end of the fiscal year, whichever comes first. If it becomes necessary to incur additional obligations in order to continue a reimbursable project begun under the prior year appropriation, current year funds and resources authorization shall be obtained for the additional obligations only if the order is still valid.

9231-7 ACCOUNTING FOR ALLOTMENTS

With implementation of IFM, accounting for allotments is at the Agency level and IFM will provide capability to meeting requirements of FMM 9300, 9030, 9040, and Congressional and administrative limitations or restrictions, which may be required.



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9231-8 *ACCOUNTING FOR SUBAUTHORIZATIONS*

- a. Subauthorizations represent the transfer of Resources Authority (506A) between Centers when one Center agrees to perform a portion of an authorized program for another Center. It should be noted that the responsibility for program accomplishment continues to reside in the Center that was issued the Resources Authority initially by Headquarters offices. The processing of subauthorizations will be accomplished in accordance with the guidance contained in NPD 9050.3D. Subauthorization will be prepared by the issuing Center using NF 506A. The original document will be forwarded to the receiving Center and a copy will be datafaxed immediately upon approval to the Budget Execution Branch, Financial Operations Division. The Budget Execution Branch will transfer the funding from the issuing center to the receiving center in the IFM system.
- b. A Center will not further subauthorize any portion of an authorization received from another Center.
- c. The validation of subauthorizations must be accomplished by the DCFO or a designated representative authorized to certify the availability of funds. Before validation, the availability of funds should be determined.. During the validation process, the Agencywide Coding Structure (AWCS) level at which the funds were received from NASA Headquarters should be determined and the subauthorization of funds to another Center should be at the same level.
- d. The reporting level of fiscal activity for subauthorizations is the lowest level of the AWCS listed in the AWCS Automated System (see FMM 9130).
- e. The receiving Center will take the necessary precautions to insure that all unobligated subauthorization funds are returned to the issuing Center in sufficient time to allow for efficient utilization before they expire. By the 15th calendar day of August of each year, the receiving Center will inform the issuing Centers of their inability to obligate any portion of a subauthorization for which the appropriation will expire at the end of the current fiscal year.



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9231-9 UNCOMMITTED OR UNOBLIGATED BALANCES OF LESS THAN ONE DOLLAR

When NASA Forms 506 (stated in even dollars) are issued to remove uncommitted or unobligated balances of closed or completed projects or prior year allotments, such documents will be recorded as issued. Where this results in leaving a balance of less than one dollar at the project, program year, reimbursable code, method of authorization, and fund source level, such a balance should be removed from the Center's allotment and general ledgers by journal voucher. A copy of the applicable general ledger journal voucher should be sent to NASA Headquarters, Director, Financial Operations Division, Code BFB in the month in which the action is taken. The general ledger journal entries to close these balances of less than a dollar decrease the Center's allotment and resources authority accounts and increase the appropriate central office accounts. Care will be exercised by the organizational elements responsible for the preparation of these decreases to NASA Forms 504 and 506 to assure that the withdrawal in even dollars does not place the Center in an over-obligated and/or over-expended status.

9231-10 ACCOUNTING FOR CITED FUNDS

- a. Orders placed with another NASA Center involving a citation of funds will be obligated in accordance with the criteria set forth in FMM 9040. The NASA Center authorizing the citation of funds will be the official office of record for all transactions and records related thereto.
- b. A letter from the DCFO for Finance will initiate the citation of funds at the Center authorizing the citation to the DCFO for Finance at the performing Center. The letter will include the following: (1) the amount of the fund citation, (2) appropriation, (3) AWCS code, (4) purpose of the fund citation, and (5) name and title of the responsible official at the Center authorizing the citation.
- c. Upon incurrence of an obligation, the performing Center will immediately forward a signed or certified copy of the obligating document to the authorizing Center for the official records. An Individual Procurement Action Report (NASA Form 507) will also be provided, if required.
- d. The performing Center will maintain memorandum accounting records sufficient to control the obligations and disbursements against the order. Payment vouchers will be scheduled through its TFC against the agency station number of the authorizing Center. Accomplished vouchers will be forwarded promptly to the authorizing Center for entry into the official accounting records.
- e. The authorizing Center is responsible for making appropriate arrangements with the performing Center for timely receipt of monthly cost accrual data for entry into the official records.



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9231-11 ADJUSTMENTS AND RECONCILIATION REQUIREMENTS

a. COMMITMENTS

- (1) An unobligated commitment shall be eliminated or reduced in the accounting records on the basis of a valid obligation recorded pursuant to FMM 9040, or other action requiring adjustment or cancellation of the commitment. Unobligated commitments citing expiring appropriations will be cancelled at the end of the fiscal year for which the funds are appropriated.
- (2) Unobligated commitments shall be reviewed at least quarterly and preferably monthly to confirm the validity of the recorded unobligated commitments. Particular attention should be given to analyzing commitments which have remained unobligated for a long period of time. All indicated adjustments shall be promptly made and, in those cases where the proposed procurement is no longer necessary, it should be cancelled and the entire amount decommitted. Where, because of the nature or volume of the transactions, a quarterly review of unobligated commitments is not administratively practicable, Centers may devise an alternate procedure and submit two copies with a written justification to the Director, Financial Operations Division, NASA Headquarters for approval.
- (3) Documents representing unobligated commitments shall be reconciled monthly to the general and allotment ledger accounts. Evidence of these reconciliations shall be retained in the accounting files for audit purposes. Where a monthly reconciliation is not administratively practicable because of the nature or volume of the transactions, Centers may devise alternate procedures and submit two copies with a written justification to the Director, Financial Operations Division, NASA Headquarters for approval.

b. OBLIGATIONS

- (1) Increases or decreases in obligations must be recorded promptly in accordance with the applicable provisions of FMM 9040. The Center DCFO for Finance must assure that all valid obligations are recorded.
- (2) In conjunction with the requirement for the annual Certification of Obligations (FMM 9391-11), each Center shall have a documented process for ensuring that amounts reported as obligations are properly supported by documentary evidence and that unliquidated obligations are reviewed. Particular attention shall be given to analyzing obligations which have remained unchanged for a long period of time. If the validity of an unliquidated obligation is unclear, notification should be sent to the Procurement Office requesting validation. The Procurement Office should notify the Center DCFO for Finance promptly (in writing) of any unliquidated obligations, which do not meet the criteria for valid obligations as required by 31 U.S.C. 1501 (see FMM 9040). If a recorded obligation does not meet the criteria for a valid obligation, it should be promptly deobligated.

Examples when unliquidated obligations should be promptly deobligated include:



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- (a) the initial obligation is found to be invalid;
- (b) correction is necessary due to bookkeeping errors or duplicate obligation;
- (c) the obligation was liquidated by closing the contract, grant or purchase order in an amount less than the amount of the original obligation;
- (d) the project or contract was cancelled;
- (e) a previously recorded estimate is reduced; and
- (f) the unliquidated obligation represents a transportation claim which has exceeded the three year statute of limitations as provided for in 31 U.S.C. 3726.

Over-recording and under-recording of obligated amounts are equally improper. Either makes it impossible to determine the precise status of the appropriation and may cause violations of the Antideficiency Act. Either will also call into question the propriety of certifications of obligations that must be submitted with appropriation requests.

Totals of unliquidated obligation documents should be reconciled periodically to the general and allotment ledger accounts.

If it is not practical to review 100 percent of unliquidated obligations, valid statistical sampling procedures may be used for the purpose of giving certifications of obligation balances.

Documented procedures and any work papers related to reviews, analyses or reconciliations shall be retained for audit purposes and to support the annual certification of obligations.

9231-12 CLOSED ACCOUNT OBLIGATIONS

- a. Any remaining balance (whether obligated or unobligated) in an account on September 30 of the fifth fiscal year after the period of availability for obligation of a fixed appropriation account ends will be cancelled. These accounts are defined as "closed accounts" and will no longer be available for obligation or expenditure disbursements (outlay) purposes.
- b. Obligations that have been cancelled and the account thereby closed must be documented in the procurement file maintained by accounting. A detailed listing of closed account obligations must be provided to the Center's Procurement Management Office at the end of each fiscal year. The list should include contract/purchase order, application of funds, fund, fund center, Budget Line Item (BLI), Unique Project Number (UPN) or Facility Project Number (FPN), reimbursable code and customer order number, if applicable, and the amount cancelled. No resources authority warrant (506A or 506A-R) adjustments will be issued for closed accounts.



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- c. The Center DCFO for Finance must submit to Headquarters, Code BFB, three reports as of the end of each fiscal year concerning closed account obligations. These reports must be submitted within 15 working days and should include the contract/purchase order, fund source, BLI, UPN, FPN and program year, reimbursable code and RAN, if applicable, and dollar amount. (Note: The Center RAN should be further broken down to include the customer order number.) Headquarters will use information included in these reports to analyze the resources authority (506) and allotment authority (504) requirements related to cancelled obligations and to generate data for reporting to Treasury. The three required reports are as follows:
 - (1) **Report No. 1.** This report must contain closed account unliquidated obligations that have not yet been disbursed. This report must reconcile to the balance in General Ledger account 3259.
 - (2) **Report No. 2.** This report must list closed account obligations that have been disbursed against current appropriation accounts during the fiscal year just completed.
 - (3) **Report No. 3.** This report must list the amount of obligation adjustment increases related to closed accounts, processed during the fiscal year just completed. It must also include an explanation of the purpose for each adjustment in addition to the other data requirements.
- d. Resources authority (506) for SAT, HSF and Mission Support other than Personnel and Related Costs (labor, training, and travel), appropriated funds will be issued using operating account concepts for FY 2003 and Prior. Resources authority for the OIG and for labor, training, and travel appropriated funds will be issued using the Fund that originally funded the cancelled obligation. Resources authority for appropriated funds (CoF type) will be issued using the FPN that originally funded the cancelled obligation. Reimbursable resources authority (506A-R) will be issued using the UPN, FPN or fund source (or its predecessor fund source or UPN) that originally funded the cancelled obligation. Starting in FY 2004, resources authority to fund cancelled obligations will no longer be put in operating accounts, it will be left in the project funding of the Headquarters Office responsible for predecessor program activity.
- e. Resources authority for appropriated SAT, HSF, and Mission Support other than CoF and OIG are issued directly to the Centers by the Budget Execution Branch (Code BFD) for FY 2003 and Prior. Resources authority for the appropriated CoF will be coordinated with Budget Execution Branch and issued by the Facilities Engineering Division. The Budget Execution Branch, Financial Operations Division, will issue all reimbursable resources authority.
- f. Requests for resources authority to fund canceled obligations will be submitted to the Budget Execution Branch, Financial Operations Division, Code BFD. Starting in FY 2004, Code BFD will determine which project/office has responsibility for funding each requirement and arrange for the issuance of resources authority to fund the payment of the canceled obligation .



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- g. Dual funds control is required for closed account disbursements. Funds control for the unexpired appropriation where the disbursement will be charged is accomplished using current funds control requirements, (i.e. Resources Authority (506) must be available). Funds control is also required for the closed appropriation where the original obligation was recorded. The funds control for closed accounts will be at the application of funds level only . If the recording of a disbursement, related to a closed account includes an obligation adjustment that requires additional funds , the payment cannot be made and the Budget Execution Branch must be notified and action will be taken to issue funds from Headquarters or obtain Congressional approval for the payment.
- h. All undisbursed obligations, which have been in an expired appropriation for five years must be fully costed prior to the reporting of such funds as cancelled obligations at the time the appropriations are closed. If the undisbursed obligations have not been fully costed, then procurement should be requested to deobligate this funding or provide a justification for costing these funds. Deobligations should be processed in accordance with FMM 9041.17.